

ABSTRACT OF THE DISCLOSURE

A method for measuring and reducing the cost of complexity in producing products or providing a service by comparing selected non-value added steps in the manufacturing or service process with the number of different products or services provided, so as to provide the non-value added cost of the product or service for various selected complexities. The number of products required to be processed or held in inventory for a particular demand, or the number of different specific services required for a particular demand of the service is determined by comparing the number of different product part numbers, or service categories offered, with selected non-value added steps in the respective processes. Mathematical analyses are derived from equations of motion of process improvement including the first derivative of process velocity.